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February 19, 2019

Kavita Kale Executive Secretary Michigan Public Service Commission 7109 West Saginaw Highway Lansing, MI 48917

RE: In the matter on the Commission's own motion, to issue a report on the

state's supply, engineering, and deliverability of natural gas, electricity, and propane, and contingency planning, as requested by the Governor.

MPSC Case No. U-20464

Dear Ms. Kale:

Attached for electronic filing in the above referenced matter is DTE Gas Company's and DTE Electric Company's Joint Comments.

Very truly yours,

Megan E. Irving

MEI/lah c: Service List Enclosures

#### STATE OF MICHIGAN

### BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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# DTE GAS COMPANY'S AND DTE ELECTRIC COMPANY'S JOINT COMMENTS

## I. <u>INTRODUCTION</u>

On January 31, 2019, Governor Gretchen Whitmer called upon the Michigan Public Service Commission to review the state's energy supply and preparedness for emergency situations, requesting an initial report from the Commission by July 1, 2019, with a final report to follow. Formalizing the request, the Governor issued a written request on February 4, 2019. On February 7, 2019, the Commission issued an Order opening this docket (Case No. U-20464) to comply with the Governor's request.

In that Order, the Commission directed Staff to "conduct a review of the state's supply, engineering, and deliverability of natural gas, electricity, and propane and to assist the Commission in developing an initial report to be filed in this docket by 5:00 p.m. on July 1, 2019." The Commission's final report is to be issued by September 13, 2019. The Commission also directed Staff to file a draft outline by February 12, 2019, setting forth the proposed scope for this energy assessment. The Commission invited public comment on the outline by February 19, 2019 and instructed that comments "should be limited to the task at hand; should identify any essential"

<sup>&</sup>lt;sup>1</sup> U-20464 Order dated February 7, 2019, p. 3.

information that the draft outline fails to include or contemplate, or areas that warrant clarification."<sup>2</sup>

Staff issued its draft outline on February 12, 2019, in a Memorandum, with the subject line "Opportunity to Comment on Draft Report Outline to Respond to Governor's February 4, 2019 letter to MPSC Requesting a Statewide Assessment of Supply and Deliverability of Natural Gas, Electricity and Propane. Comments due February 19, 2019." DTE Gas Company (DTE Gas) and DTE Electric Company (DTE Electric) (or jointly, the Companies) appreciate the opportunity to comment on the draft and collaborate with Staff on this matter at the heart of their businesses.

## II. SPECIFIC CONSIDERATIONS

Staff's outline was a numbered and lettered list, and comments and requests for clarification from the Companies will follow that organizational scheme.

DTE Gas Company comments on Staff's subsection, "B. Natural Gas", under the header "III. Regulatory Oversight of Energy Planning and Infrastructure." Specifically, DTE Gas comments on B.3, "Review of fuel arrangements to meet customer demand in Gas Cost Recovery proceedings." The Company urges the Staff to change "fuel arrangements" to "supply arrangements", broadening the topic to include storage and transportation assets to meet customer requirements.

The Companies next comment on Staff's section "IV. System Risks, Interdependencies, and Vulnerabilities." Specifically, DTE Gas urges the broadening of subsection B.2 "fuel procurement", to "fuel procurement and gas supply", allowing discussion of both electric and gas fields.

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<sup>&</sup>lt;sup>2</sup> *Id*.

DTE Gas also requests that the Staff add a discussion surrounding the impact of recovery

uncertainty and barriers to timely infrastructure investment recovery. Similarly, a discussion of

redundancy is necessary in evaluation of fuel arrangements under the Gas Cost Recovery

(GCR). DTE Gas postulates that this discussion could occur either in Section IV.D.2.d "System

redundancies" or under the broader regulatory discussion of Section III.B.3, "Review of fuel

arrangements to meet customer demand in Gas Cost Recovery proceedings."

III. **REQUEST FOR RELIEF** 

The Companies appreciate the opportunity to comment on the proposed outline and look

forward to further discussions with Staff and other parties during upcoming meetings. The

Companies respectfully request that the Michigan Public Service Commission issue an order

adopting Staff's outline which is consistent with these Comments.

Respectfully submitted,

DTE Gas Company

DTE Electric Company

DATED: February 19, 2019

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